

## CHAPTER 06

CASE FILES**0601** INTRODUCTION

**060101.** Objective. As an FMS case is never formally closed from a DoD accounting perspective, all supporting documentation should be retained for an indefinite period. Therefore, the objective of this chapter is to establish guidance as to those documents to be maintained as part of the FMS case file. The guidance is designed to facilitate uniformity of FMS case file maintenance and insure that necessary documentation is readily available and retrievable by the appropriate activities. The "total file" of each FMS case, although maintained in a decentralized manner by the various activities having responsibility for certain phases or actions associated with the case, must be able to stand as a comprehensive record of all relevant correspondence, worksheets, officially-prepared forms, etc., thus constituting a complete audit trail from the time of case initiation to case closeout/retirement. The case manager should maintain a directory of supporting documentation locations.

**060102.** Concepts and Requirements

A. FMS case files shall, to the extent practicable, be maintained in legal-sized folders, uniformly tabbed (e.g., Tab A, Tab B, etc.), in the manner discussed in Section 602. In those instances when more than one file folder is required, the folders shall be appropriately numbered (e.g., 1 of 2, 2 of 2, etc.). The documents/data placed in each folder shall be maintained in chronological sequence by tab.

B. It is neither necessary nor intended that each activity, e.g., NAVILCO, possess and file all the documents associated with a given FMS case. Rather, it is sufficient that each DoD implementing Component be able to identify which activities are to file what kinds of documents, so that in the event of an audit it is clear from the beginning what organizational entities

are responsible for preparation and/or filing of such documents. For example, the LOA is likely to be on file at several activities, e.g., Navy IPO, NAVILCO, SAAC, etc.; however, the quarterly requisition report (QRR) applicable to that case would likely have more limited distribution.

C. It is recognized that certain records associated with a case are in the form of bulky computer listings, etc., and are not conducive for placement in legal-sized folders. In such instances where a "tab" relating to such information has been identified in Section 602, it is sufficient to indicate in a general written procedure, on the case cover sheet, or within the tab itself, where such information can be located. The purpose for including such documents, or cross reference notes to such documents, is to ensure that the integrity of the case audit trail is maintained and that sufficient information is not overlooked at time of case execution/closure.

D. The uniform FMS case folder, as outlined in Section 602, depicts those documents considered to be of primary relevance on a DoD/joint-service basis. It is recognized that there may be additional documents which a DoD Component may want included as part of the case file. The inclusion of such documents is encouraged and it is recommended that the documents be filed in the form of numbered appendices following in sequence after the lettered tabs.

E. The value of the uniform FMS case folder, aside from the limited audit aspect, is that it ensures a uniform and systematic approach to case file maintenance and, with the proper management attention, can serve as a checklist of planned and completed actions and thereby facilitate the case management/closure process. Further, the existence of such a file would facilitate supervisory reviews and should ease the transfer of ongoing FMS case management responsibilities, e.g., during time of personnel transfers and internal workload realignments.

**060103. Responsibilities.** Each DoD implementing agency and the Security Assistance Accounting Center shall be responsible for maintaining their respective portions of the FMS case file in the manner prescribed in Section 602.

**0602** UNIFORM FMS CASE DOCUMENTATION

**060201. Documentation Requirements.** The documentation outlined in the following tabs is the minimum required for complete and efficient FMS case management.

A. Tab A (General Information Cover Sheet). Contents:

1. Case identifier.
2. Cognizant personnel (names and phone numbers for ease of reference. Show dates of tenure if responsibilities shift from one individual to another during the life of the case).
  - a. Case negotiation action officer
  - b. Country/case manager at:
    - (1) Systems Command HQ, e.g., the Case Administering Office.
    - (2) International Logistics Control Office (ILCO).
    - (3) Security Assistance Accounting Center.
  - c. Others (as required).
    - (1) Inventory/Item Manager focal point.
    - (2) Procurement Office focal point.
3. Key case planning milestones are shown in Table 602-1.

B. Tab B (Letter of Request Information). Contents:

1. Letter of Request (LOR) for Price and Availability (P&A) Data--if relevant to the eventual Letter of Offer and Acceptance (LOA).

2. Pricing data used in the preparation of an LOA.

3. Information/correspondence relative to any preliminary inquiry.

C. Tab C (Planning Information). Contents:

1. P&A Data--relative to the FMS case.
2. LOA Data used to prepare the LOA format.
  - a. Tasking letters.
  - b. Internal memoranda/worksheets.
  - c. Financial Analysis and Termination Liability Reserve Data, if applicable.
  - d. Methodology of computing the payment schedule reflected in the LOA.
3. Response(s) to foreign purchaser--if initially presented in a format other than a DD Form 1513.

D. Tab D (Security Assistance Survey Documentation). Contents:

1. Defense Requirements Survey Report (or cross-reference to where such report is located).
2. Site Survey Report (or cross-reference thereto).

E. Tab E (FMS Contractual Instruments). Contents:

1. Letter of Intent (DD Forms 2012 and 2012-1).

2. Letter of Offer and Acceptance (LOA).

3. Amendment to Offer and Acceptance.

4. Modification of Letter of Offer and Acceptance.

5. Any Memoranda of Understanding (MOU) or Memoranda of Agreement (MOA) relating to the above instruments.

6. Correspondence relative to internal review/coordination.

a. Congressional notification documentation.

b. Letter forwarding advance, unsigned LOA to purchaser while awaiting Congressional review.

c. Letter of Transmittal of counter-signed LOA.

7. Correspondence/letters of transmittal to purchaser and acceptance of DD Form 1513.

F. Tab F (Credit/Loan Arrangements). Contents: Include, as necessary, for FMS case management, copies of Loan Agreements, requests for special waivers from routine loan conditions, etc.

G. Tab G (Financial Control Documents). Contents:

1. Request/Approval of FMS Obligational Authority (DD Form 2060, or automated system equivalent).

2. FMS Planning Directive (DD Form 2061, or automated system equivalent).

3. Expenditure Authorizations.

4. Documentation concerning DoD Component internal delegations of obligational and expenditure authorizations.

5. Final DIFS Financial Management Worksheet.

H. Tab H (Implementation Directives). Contents:

1. FMS Program/Case Directives, Program Management Plans, Implementing Project Directives, Implementation Letters, etc.

2. Amendments/updates to the above documents.

I. Tab I (DSAA 1200 System Updating Documents). Contents: Include copies of worksheets or other evidence that the DSAA 1200 System has been updated at the appropriate times.

J. Tab J (Execution Documentation). Contents:

1. Purchase Requests.

2. USG contracts with commercial vendor.

3. Work requests.

4. Military Interdepartmental Purchase Requests (MIPRs).

5. Internal billing documentation, e.g., Standard Form (SF) 1080, DD Form 250, TDY orders/vouchers, etc.

6. Requisition/document control listings, e.g., Quarterly Requisition Report (QRR), etc.

7. Invitational Travel Orders.

K. Tab K (Special Logistics Documents). Contents:

1. Cooperative Logistics Supply Support Arrangements (CLSSA)--Foreign Military Sales Order (FMSO) I Equity Listing.

2. Concurrent Spare Parts (CSP) Listing.

3. Other, e.g., USAF AFLC SAMIS local management reports, etc.

L. Tab L (Accessorial Charges). Contents: Include applicable documentation to substantiate the reporting of actual, in lieu of using the estimated percentage, PCH&T rates.

M. Tab M (Government Furnished Materiel). Contents:

\*Note: The inclusion of government furnished materiel (GFM) as part of an FMS case requires special attention from a financial standpoint inasmuch as the GFM becomes a part of the major item being procured. Accordingly, unless this information is included as part of another tab, this tab should contain documentation as follows.

1. Listing by contract number of contracts under which GFM can be requisitioned by contractors.

2. Listing, by requisition/document numbers, of GFM.

3. Worksheets/back-up data showing that Defense Transportation System (DTS), and Packing, Crating and Handling (PCH&T) for other than stock fund/Defense Business Operations Fund items have been added to the base price of GFM.

N. Tab N (FMS Billing Documentation). Contents:\*

1. FMS Billing Statement (DD Form 645), and FMS Delivery Listing and financial forecast attachments. (Note: Reply to customer requests for adjustments filed in subsequent tab.)

2. SAAC-prepared Command Pay Listing (if and when filed in case file folder).

3. SAAC-prepared Financial Management Worksheets.

4. Documentation/Listings relating to delivery transactions.

5. Local SAAC worksheets/correspondence: in SAAC-maintained case file folder appendices.

6. Correspondence related to DFAS authorized exceptions to normal billing procedures.

\*Note: The detailed nature and size of these and other listings may make their filing in the case folder impractical. In such instances, it is sufficient to have a local record/checklist, showing that the listings have been reviewed as necessary to monitor progress, detect errors, etc.

O. Tab O (Discrepancy Reports). Contents:

1. Reports of Discrepancy (SF 364).

2. Correspondence/documentation relative to such discrepancies.

3. SAAC-prepared reply to customer requests for adjustments listing.

P. Tab P (Management Reviews). Contents: Include the minutes and other correspondence stemming from an FMS Implementation Review, Country Program/Case Review, FMS Financial Management Review, etc.

Q. Tab Q (Case Closure Documentation). Contents:

1. DoD Component's case closure certification to SAAC. (Note: Final DD Forms 2060/2061 should be on file in "Financial Control Documents" tab.)

2. Correspondence with SAAC or other organizations relative to above certification.

3. Final Billing Statement (DD Form 645).

4. Correspondence resulting from the Case Closure Board.

5. Case Closure Checklist Sheet (for DoD implementing agencies) shown in Table 602-2.

6. Case Finalization Certificate for cases using the accelerated case closure procedures.

7. Directory for location of stored case records.

R. Tab R (Reopened Case Documentation). Contents:

Note: This tab is only operative if the case, once officially closed, must be reopened.

Documentation would include:

1. Correspondence/data as to why the case had to be reopened.

2. Refinalized DD Forms 2060/2061 (filed in "Financial Control Documents" tab).

3. Closure Certification.

4. Final Statement (DD Form 645).

**060202. Documentation Maintenance and Disposition**. The documentation will be accumulated throughout the life of the case as events occur (e.g., P&A completed, LOA accepted, contract signed, etc.) through case closure. Military Departments can retire, not destroy, closed case file records to record holding areas upon receiving a copy of SAAC's final statement (DD Form 645) to the FMS customer and the case is closed by SAAC and the MILDEP. SAAC can retire, not destroy, closed case file records no earlier than three years from the date of last correspondence with the customer.

**TABLE 602-1 KEY CASE PLANNING MILESTONES**

<u>Event</u>	<u>Date of Completion</u>	
	<u>Planned</u>	<u>Actual</u>
LOR acknowledged	_____	_____
DD Form 2061 completed	_____	_____
P&A completed	_____	_____
LOA prepared	_____	_____
LOA countersigned/mailed to purchaser	_____	_____
LOA accepted by purchaser	_____	_____
DD Form 2060 (Request for Budget Authority) approved by SAAC	_____	_____
LOA implemented	_____	_____
LOA lines/RSNs delivery complete (delivery transactions with estimated prices submitted)	_____	_____
001	_____	_____
002	_____	_____
003	_____	_____
etc.	_____	_____
LOA lines/RSNs financially complete (delivery transactions with actual prices submitted)	_____	_____
001	_____	_____
002	_____	_____
003	_____	_____
etc.	_____	_____
Final DD Form 2060 forwarded to SAAC	_____	_____

**TABLE 602-1 KEY CASE PLANNING MILESTONES (CONTINUED)**

Event (Continued)	<u>Planned</u>	<u>Actual</u>
FMS Financial Management Worksheet from SAAC and reconciled to case manager record	_____	_____
Case closure certificate with DD Form 2061 forwarded to SAAC	_____	_____
Case closed (placed in inactive status)(Final DD Form 645 to purchaser)	_____	_____
Case finalization certificate with DD Form 2061 forwarded to DFAS-DE/I (Note 1)	_____	_____
Case finalized (Note 1)	_____	_____
Case records retired (Identify location of records)	_____	_____

Note 1: Applies only to cases utilizing accelerated case closure procedures

**TABLE 602-2 CASE CLOSURE CHECKLIST SHEET**

<u>Action</u>	<u>Date Completed</u>
• Verify there are no valid unfilled requisitions.	_____
• Verify all items have been delivered/shipped, all services performed, and reported to SAAC including:	_____
a. GFM (basic items, DTS and PCH).	
b. Actual accessorial (PCH&T) charges: (where applicable)	
• Verify DSAA 1200 System has been updated to reflect supply complete status.	_____
• Verify outstanding RODs processed.	_____
• Verify financing appropriations reimbursed.	_____
• Verify Case Closure Certificate submitted to SAAC.	_____
• Verify final DD Forms 2060/2061 submitted to SAAC.	_____
• Verify final DD Form 645 received from SAAC.	_____
• Verify records retired: Identify location of all supporting documentation. <sup>1</sup>	_____
• Verify all accounting records are final.	_____

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<sup>1</sup>Documentation can be hardcopy, magnetic tape, etc.